

Retailers too slow to fix factory problems

AMY MERRICK, The New Yorker

On Tuesday, the Alliance for Bangladesh Worker Safety—made up of 20 US and Canadian apparel companies, including Wal-Mart, Gap, and Macy's—quietly issued a statement saying that the group had achieved a series of "critical milestones" to improve conditions in Bangladeshi clothing factories.

To demonstrate its progress, the Alliance published a 55-page draft set of standards for fire safety and the structural integrity of buildings.

Examine the details, however, and it seems that the Alliance is short of some of its own goals.

In July, the group vowed publicly that, by this week, it would adopt a training curriculum on worker safety and "engage third parties to develop [a] training programme"; Tuesday's statement said representatives are "working to identify third parties in Bangladesh that can implement these training programmes."

The Alliance also promised to compile inventories of the factories they contract with in Bangladesh and send those lists to the Fair Factories Clearinghouse, an industry-funded nonprofit that helps apparel companies share data on factory audits.

On Tuesday, the group said it was

"in the process" of meeting that milestone; the executive director of the clearinghouse, Peter Burrows, told me in an e-mail that he has received supplier lists from 17 members of the Alliance, and that new members have 60 days to comply.

Meanwhile, the building standards themselves are incomplete: the section on electrical safety is unfinished, and other important elements are missing, such as the allowed heights of buildings and a timeline for factories to install automatic sprinklers.

A person familiar with the Alliance, who said she was not authorised to speak publicly, said that the group feels confident it has met all its goals.

It has created a short list of candidates to develop a training programme and is consulting with outside groups about adopting a curriculum, she said.

This person said that Tuesday's statement should not have described the factory lists as "in progress," because all the founding group members submitted their lists in time to meet the deadline.

She added that the group considers its initial proposal for building standards to be complete; the standards are to be finalised by November 10.

On April 24, the eight-storey Rana Plaza complex collapsed in Dhaka, Bangladesh, killing more than 1,100

people. It was the deadliest accident in the history of the garment industry.

Five months earlier, a fire at the Tazreen Fashions factory, also in Dhaka, killed more than a hundred people who were unable to escape flames that fed on piles of yarn and fabric, as The New Yorker described.

The death tolls raised awareness about the hazards faced by apparel workers in Bangladesh, but the problems are neither new nor surprising.

"For over two decades, there have been substantial concerns about working conditions, particularly worker safety," said Aron Cramer, the president and chief executive of BSR, a consulting firm that works with businesses on social-responsibility issues.

"The commitment—in Bangladesh and outside—has not been there to ensure safe and fair working conditions."

Within Bangladesh, reporters have found factory managers who still resist workers' efforts to organise.

This week, the Wall Street Journal told the story of a garment worker who claimed that pro-management employees attacked her with cutting shears; the managing director of the factory dismissed photographs of her injuries as fake "artwork."

After the Rana Plaza disaster, clothing companies organised themselves

into two groups: the Alliance, and another group called the Accord on Fire and Building Safety in Bangladesh.

The camps disagreed on the appropriate role of unions in Bangladeshi factories, among other things. Both groups vowed to improve worker safety in the country's clothing factories, but they felt differently about how to do it.

The first group was created in May and was made up of mostly European retailers, including Carrefour, Tesco, and H&M.

That group's partners include trade unions, such as IndustriALL and UNI Global Union, and the International Labour Organisation serves as the independent chair.

Their "Accord on Fire and Building Safety in Bangladesh," published in May, establishes a plan for factory inspections and guarantees that funds will be made available for safety upgrades.

The Alliance for Bangladesh Worker Safety, meanwhile, was established in July, and is now beginning to publish its own guidelines. The Alliance is comprised of companies that balked at some of the Accord's requirements, including its provisions for arbitration. It says it has consulted with organised labour, but there is no union representative on its board.

Activists are exasperated by the

existence of two groups with the same fundamental mission. Having separate initiatives is "absolutely the wrong approach," David Schilling, the senior programme director of human rights and resources at the Interfaith Centre on Corporate Responsibility, told me.

"Long-term, sustainable change within the garment sector of Bangladesh is going to take a unified effort." For their part, the companies behind the Accord and the Alliance say they plan to coordinate their safety standards.

The clothing industry is divided over what, if anything, Western companies owe workers in Bangladesh, one of the world's largest apparel exporters.

On Thursday, a planned meeting in Geneva on creating a compensation fund for victims of the two factory accidents drew just a third of the retailers that used the factories, the BBC reported.

Only one company, the Irish retailer Primark, a unit of Associated British Foods, publicly committed to paying victims and their families.

In the two years after the Triangle Shirtwaist Factory fire killed 146 garment workers, in 1911, public outrage spurred major improvements in factory safety.

Dozens of recommendations from the Factory Investigating Commission, established by the New York state

legislature, became law, including higher standards for building exits and an increased availability of fire extinguishers.

In a civil suit adjudicated in 1913, the Triangle Waist Company was ordered to pay \$75 per deceased victim.

The global nature of the modern apparel industry makes coordinating such efforts more difficult, and everyone agrees that the problems in Bangladesh, including corruption and lax enforcement of local laws, will be difficult to uproot.

"Bangladesh represents a real challenge, because the reputational risks are high and the costs of making the industry safe are not insignificant," said Scott Nova, the executive director of the Worker Rights Consortium, who has been critical of the speed with which US companies responded to the Rana Plaza and Tazreen disasters.

Yet those companies have the resources to create meaningful change if they choose. The Alliance for Bangladesh Worker Safety has pledged \$42 million for an initial worker-safety fund, and another hundred million in low-cost capital available to factories for funding safety improvements.

Last year, Wal-Mart's net sales were more than \$466 billion—more than four times the gross domestic product of Bangladesh.

Two more social business projects launched



YUNUS CENTRE

Nobel laureate Prof Muhammad Yunus attends the eighth Social Business Design Lab at the Yunus Centre in Dhaka yesterday.

STAR BUSINESS DESK

Two new social businesses were launched at the eighth Social Business Design Lab yesterday.

Forhad Hossain of Attyo Unnayan Sangstha Dairy Khammar Project converted his existing business into a social business and PK Saha of Rose Sweater launched a social business to sell water pumps, fertilisers and good quality seeds to farmers.

About 250 people from different organisations, including representatives from numerous national and international NGOs, business leaders, academics and specialists attended the event organised by The Social Business Design Lab chaired by Nobel laureate Prof Muhammad Yunus at the Yunus Centre in Dhaka.

The platform presents and launches social business ventures, Yunus Centre said in a statement yesterday.

Six new social business plans were

presented, including Social Business Hospital Project by Sajida Foundation, Social Business for Biomass Power Solution to convert rice husk into fuel by Sarkar Ardhendu, director of SD Tex Promoters Ltd, and Solid Waste Management Social Business presented by Noor Mohammad, executive director of Khulna based RUSTIC, to convert solid waste from slums and rural households into compost.

Three Nobin Uddokta projects, presented by children of Grameen Bank, were also elaborated.

The Design Lab was live streamed through the internet. The next Design Lab will take place on November 16, 2013.

Kazi Zahedul Hasan, founder and managing director Kazi Farms Group; Prof Dr Shafique Ahmed Siddique, chairman of Bangladesh University of Business and Technology; and Dr Muhammad Abdus Sabur, board member of Sajida Foundation, were also present.

A boost for IT freelancing

STAR BUSINESS REPORT

The Dhaka Chamber of Commerce and Industry has come up with a plan to support freelance IT entrepreneurs by connecting them through an exposition.

The IT freelancers should register their business plans with business.org.bd by September 30 to start their career as entrepreneurs, Sabur Khan, president of DCCI, said yesterday.

Of those, 2,000 business models will be presented at the two-day Entrepreneurship and Innovation Expo, to be organised by the DCCI, Bangladesh Bank and the govern-

ment in November.

The main objective of the expo is to work as a bridge between new entrepreneurs and financial institutions to meet their technical and financing needs, Khan said.

He spoke at a workshop on creating young entrepreneurs, organised by the DCCI and Bangladesh Association of Software and Information Services at the chamber's office.

The workshop will help the young entrepreneurs to access development services of DCCI, Khan said. The chamber has set up a help desk for the young entrepreneurs, he added.

"We are working tirelessly to scout for the innovative entrepreneurs in Bangladesh and DCCI has already completed motivational campaigns at 24 universities," he said.

The DCCI has received a good number of projects and responses from the students of these universities, which is encouraging, Khan said.

"IT services are diversified in different segments: listings, online selling, e-learning, and online payments and these new business models are shaping the future of the IT industry in Bangladesh," he said.

The development of IT entrepreneurship in the country can be attributed to the effort by young,

tech savvy entrepreneurs, he added.

Entrepreneurs should embed IT in all activities of business as the use of IT will ensure higher skills and transparency as well, said Nazrul Islam Khan, secretary of information and communication technology.

The ICT ministry is working hard to establish institutions on IT entrepreneurship in the country, he said.

He urged freelancers to grab the opportunity provided by DCCI and BASIS to become successful entrepreneurs. BASIS is working relentlessly to create employment opportunities for about 1.5 lakh people over the next five years, said Shameem Ahsan, president of BASIS.

Chartered secretaries' council elects new president



STAR BUSINESS DESK

Mohammad Asad Ullah was elected president of the Council of Institute of Chartered Secretaries of Bangladesh for 2013-2016, it said in a statement yesterday.

He has been serving as executive director of corporate affairs and group company secretary of Beximco Group.

Asad Ullah did his graduation and LLB from Dhaka University, and also holds an MBA in human resource management.

Factory survey faces hiccups

FROM PAGE B1
The ERD will disburse the \$24 million funds provided by the ILO.

The global platforms are yet to submit the lists of the factories they will inspect, which is also holding the inspection back.

The members of the North American Alliance will also hold a meeting with the leaders of Bangladesh Garment Manufacturers and Exporters Association in Dhaka tomorrow to discuss the issue of a common checklist.

Passenger traffic to hit 10m in 2020: CAAB

FROM PAGE B1

Hussain's comments came at a seminar on sustainable development of the country's aviation industry, co-organised by CAAB and The Bangladesh Monitor, a fortnightly aviation and tourism journal, at the VIP Terminal of Shahjalal International Airport.

"The growth rate, both in terms of passenger and freight service, is remarkable in the country," said the CAAB chief.

The country's passenger growth in the last three years came to an average of 8 percent, when the aggregated global growth was about 6 percent. For cargo, the growth figure is 13 percent against the global average of 7 percent, he added.

"On the basis of the growth of global passenger movement last year, ICAO [International Civil Aviation Organisation] forecast air traffic to double by 2030," he said. The global passenger movement soared to 6 billion last year from 2.9 billion, according to ICAO.

On the other hand, the total value of

cargo or goods transported by air represents 35 percent of international trade.

In the Asia Pacific region, there will be a requirement of 290,844 pilots by 2030, but the current training capacity is for 4,935 pilots. "The result is an annual shortage of 13,322 pilots," he said.

Bangladesh will need at least 200 pilots a year, but it can produce only 10 pilots a year, Hussain added. The CAAB chief, therefore, urged the government to set up a civil aviation university to groom pilots.

Faruk Khan, civil aviation and tourism minister, said: "A well-equipped university will fulfil the demand for aviation professionals both in Bangladesh and the Asia Pacific region."

Although he acknowledged the sector's shortage of skilled professionals, Finance Minister AMA Muhiith said there is no need to set up an "exclusive university."

"Rather, we should establish an institute or college under any government university to address the problem," he added.

Appollo Ispat to bring in green tech

FROM PAGE B1

Appollo Ispat now imports HR coil, mainly from Japan, and transforms those into CR coil, the raw material for CI sheet.

Also, there will be no need to use lead during the galvanisation of the CR coil, said Hasan S Hannan, general manager of Appollo Ispat. "The finished products will be shinier, more durable and environment friendly," he said.

"We will be able to produce 120 tonnes of CI sheet per line, up from 70-80 tonnes in the existing two lines." The cost of production will also go down by Tk 2,000 per tonne, Hannan said.

The NOF project will cost Tk 95 crore, of which Tk 60 crore will come from a portion of initial public offering, and sponsor

shareholders will contribute to the rest.

Appollo Ispat has recently got a go-ahead from the stockmarket regulator to raise Tk 220 crore by issuing 10 crore ordinary shares of Tk 10 each, in addition to Tk 12 as premium per share.

"From the IPO proceeds, we will spend around Tk 153 crore on loan repayment, Tk 60 crore for the NOF project and the rest to bear the IPO expenses," said Abdur Rahman, deputy managing director.

With the utilisation of the IPO fund, he said, the company's profitability will go up, helping the company to disburse dividends among shareholders at the yearend.

Appollo Ispat produces around 1.20 lakh tonnes of Rani branded CI sheet per year, with a 20 percent market share.

iMac

21.5-inch : 2.9GHz	27-inch : 2.9GHz
2.9GHz quad-core Intel Core i5 Turbo Boost up to 3.6GHz 8GB (two 4GB) memory 1TB hard drive NVIDIA GeForce GT 650M with 512MB	2.9GHz quad-core Intel Core i5 Turbo Boost up to 3.6GHz 8GB (two 4GB) memory 1TB hard drive NVIDIA GeForce GTX 660M with 512MB
LIST PRICE: Tk. 150,000 Tk. 145,500	LIST PRICE: Tk. 180,000 Tk. 174,500

MacBook Pro

13-inch : 2.5GHz	13-inch : 2.9GHz	15-inch : 2.3GHz	15-inch : 2.7GHz
2.5GHz dual-core Intel Core i5 Turbo Boost up to 3.1GHz 8GB 1600MHz memory 128GB flash storage Intel HD Graphics 4000 Built-in battery (7 hours)	2.9GHz dual-core Intel Core i7 Turbo Boost up to 3.6GHz 8GB 1600MHz memory 750GB 5400-rpm hard drive Intel HD Graphics 4000 Built-in battery (7 hours)	2.3GHz quad-core Intel Core i7 Turbo Boost up to 3.3GHz 4GB 1600MHz memory 500GB 5400-rpm hard drive Intel HD Graphics 4000 NVIDIA GeForce GT 650M with 512MB of GDDR5 memory Built-in battery (7 hours)	2.7GHz quad-core Intel Core i7 Turbo Boost up to 3.7GHz 16GB 1600MHz memory 512GB flash storage Intel HD Graphics 4000 NVIDIA GeForce GT 650M with 1GB of GDDR5 memory Built-in battery (7 hours)
LIST PRICE: Tk. 118,000 Tk. 114,500	LIST PRICE: Tk. 145,000 Tk. 140,500	LIST PRICE: Tk. 173,000 Tk. 168,000	LIST PRICE: Tk. 260,000 Tk. 252,500

MacBook Air NEW

11-inch : 128GB	11-inch : 256GB	13-inch : 128GB	13-inch : 256GB
1.3GHz dual-core Intel Core i5 processor Turbo Boost up to 2.6GHz Intel HD Graphics 5000 4GB memory 128GB flash storage	1.3GHz dual-core Intel Core i5 processor Turbo Boost up to 2.6GHz Intel HD Graphics 5000 4GB memory 256GB flash storage	1.3GHz dual-core Intel Core i5 processor Turbo Boost up to 2.6GHz Intel HD Graphics 5000 4GB memory 128GB flash storage	1.3GHz dual-core Intel Core i5 processor Turbo Boost up to 2.6GHz Intel HD Graphics 5000 4GB memory 256GB flash storage
LIST PRICE: Tk. 98,500 Tk. 95,500	LIST PRICE: Tk. 115,000 Tk. 111,500	LIST PRICE: Tk. 110,000 Tk. 106,500	LIST PRICE: Tk. 130,000 Tk. 126,000

PROMOTION COUPON EXPIRES: 30/09/2013

Bring this Coupon with you and get FREE

- X-mini Max II (worth Tk. 4,300) with purchase of any iMac
- X-mini II (worth Tk. 2,500) with purchase of any MacBook Air/Pro

*Minimum price and offer valid for cash payment only

Executive Machines Limited
Gulshan 183 Gulshan Avenue, Gulshan - 2, Dhaka - 1212
Dhanmondi Rangs Nilu Square, Ground Floor Road 5/A, House. 75, Plot-1,3,5, Satmasjid Road, Dhanmondi, Dhaka-1207.

Retail Hotline: Gulshan 019-777-APPLE 27753 | Dhanmondi 019-788-APPLE 27753 | Corporate Hotline: 017-292-APPLE 27753

find us on Facebook www.facebook.com/APRDhaka